

Fill in this information to identify the case:

Debtor 1 Debra L. Laspala

Debtor 2 _____
(Spouse, if filing)

United States Bankruptcy Court for the: District of New Jersey (State)

Case number 20-23533

FILED
ANNE A. NAUGHTON, CLERK
JAN 22 2021
U.S. BANKRUPTCY COURT
DISTRICT OF NEW JERSEY
BY caib

Official Form 427

Cover Sheet for Reaffirmation Agreement

12/15

Anyone who is a party to a reaffirmation agreement may fill out and file this form. Fill it out completely, attach it to the reaffirmation agreement, and file the documents within the time set under Bankruptcy Rule 4008.

Part 1: Explain the Repayment Terms of the Reaffirmation Agreement

1. Who is the creditor?	<u>Ally Capital</u> Name of the creditor																													
2. How much is the debt?	<p>On the date that the bankruptcy case is filed <u>\$11,925.89</u> To be paid under the reaffirmation agreement <u>\$11,932.07</u></p> <p><u>\$279.89</u> per month for <u>46</u> months (if fixed interest rate) <u>\$1,262.36</u> per month for <u>1</u> months (if fixed interest rate) * <u>1</u> cure payment of <u>\$139.95</u> due on January 11, 2021. * <u>1</u> cure payment of <u>\$139.94</u> due on February 11, 2021.</p>																													
3. What is the Annual Percentage Rate (APR) of interest? (See Bankruptcy Code § 524(k)(3)(E).)	<p>Before the bankruptcy case was filed <u>9.55%</u> Under the reaffirmation agreement <u>9.55%</u> <input checked="" type="checkbox"/> Fixed <input type="checkbox"/> Adjustable Rate</p>																													
4. Does collateral secure the debt?	<p><input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Describe the collateral. <u>2016 CHEVROLET MALIBU LIMITED VIN: 1G11C5SA2GU105309</u> Current market value <u>\$12,575.00</u></p>																													
5. Does the creditor assert that the debt is nondischargeable?	<p><input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach an explanation of the nature of the debt and the basis for contending that the debt is nondischargeable.</p>																													
6. Using Information from Schedule I: Your Income (Official Form 106I) and Schedule J: Your Expenses (Official Form 106J), fill in the amounts.	<table border="0"> <thead> <tr> <th colspan="2">Income and expenses reported on Schedules I and J</th> <th colspan="2">Income and expenses stated on the reaffirmation agreement</th> </tr> </thead> <tbody> <tr> <td>6a. Combined monthly income from line 12 of Schedule I</td> <td><u>\$832.00</u></td> <td>6e. Monthly income from all sources after payroll deductions</td> <td><u>\$832.00</u></td> </tr> <tr> <td>6b. Monthly expense from line 22c of Schedule J</td> <td><u>\$1,318.00</u></td> <td>6f. Monthly expenses</td> <td><u>\$1,318.00</u></td> </tr> <tr> <td>6c. Monthly payments on all reaffirmed debts not listed on Schedule J</td> <td><u>\$0.00</u></td> <td>6g. Monthly payments on all reaffirmed debts not included in after payroll deductions</td> <td><u>\$0.00</u></td> </tr> <tr> <td>6d. Scheduled net monthly income</td> <td><u>\$ (486.00)</u></td> <td>6h. Present net monthly income</td> <td><u>\$ (486.00)</u></td> </tr> <tr> <td colspan="2">Subtract lines 6b and 6c from 6a.</td> <td colspan="2">Subtract lines 6f and 6g from 6e.</td> </tr> <tr> <td colspan="2">If the total is less than 0, put the number in brackets.</td> <td colspan="2">If the total is less than 0, put the number in brackets.</td> </tr> </tbody> </table>		Income and expenses reported on Schedules I and J		Income and expenses stated on the reaffirmation agreement		6a. Combined monthly income from line 12 of Schedule I	<u>\$832.00</u>	6e. Monthly income from all sources after payroll deductions	<u>\$832.00</u>	6b. Monthly expense from line 22c of Schedule J	<u>\$1,318.00</u>	6f. Monthly expenses	<u>\$1,318.00</u>	6c. Monthly payments on all reaffirmed debts not listed on Schedule J	<u>\$0.00</u>	6g. Monthly payments on all reaffirmed debts not included in after payroll deductions	<u>\$0.00</u>	6d. Scheduled net monthly income	<u>\$ (486.00)</u>	6h. Present net monthly income	<u>\$ (486.00)</u>	Subtract lines 6b and 6c from 6a.		Subtract lines 6f and 6g from 6e.		If the total is less than 0, put the number in brackets.		If the total is less than 0, put the number in brackets.	
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3/15

Debtor 1 Debra L Laspata
First Name Middle Name Last Name

Case Number (if known) 20-23533

7. Are the income amounts on the lines 6a and 6e different?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Explain why they are different and complete line 10. _____
8. Are the expense amounts on line 6b and 6f different?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Explain why they are different and complete line 10. _____
9. Is the net monthly income in line 6h less than 0?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. A presumption of hardship arises (unless creditor is a credit union). Explain how the debtor will make monthly payments on the reaffirmed debt and pay other living expenses. Complete line 10. <u>I will be cutting back on expenses.</u>
10. Debtor's certification about lines 7-9	I certify that each explanation on lines 7-9 is true and correct. If any answer on line 7-9 is Yes, the debtor must sign here. If all the answers on lines 7-9 are No, go to line 11. <u>Debra L. Laspata</u> Signature of Debtor 1 _____ Signature of Debtor 2 (Spouse Only in a Joint Case)
11. Did an attorney represent the debtor in negotiating the reaffirmation agreement?	<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes. Has the attorney executed a declaration or an affidavit to support the reaffirmation agreement? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes

Part 2: Sign Here

Whoever fills out this form must sign here.

I certify that the attached agreement is a true and correct copy of the reaffirmation agreement between the parties identified on this **Cover Sheet for Reaffirmation Agreement**.

[Signature]
Signature
Jennifer Sparks
Printed Name

Date 01/20/2021
MM / DD / YYYY

Check one:
☒ Debtor or Debtor's Attorney
☒ Creditor or Creditor's Attorney 26

Form 2400A (12/15)

Check one.
☒ Presumption of Undue Hardship
☐ No Presumption of Undue Hardship
See Debtor's Statement in Support of Reaffirmation,
Part II below, to determine which box to check.

UNITED STATES BANKRUPTCY COURT
District of New Jersey

In re Debra L Laspata,
Debtor(s)

Case No. 20-23533

Chapter 7

FILED
JEANNE A. MAURITIAN, CLERK

JAN 22 2021

U.S. BANKRUPTCY COURT
BY ccf DEPUTY

REAFFIRMATION DOCUMENTS

Name of Creditor: Ally Capital

☐ Check this box if Creditor is a Credit Union

PART I. REAFFIRMATION AGREEMENT

Reaffirming a debt is a serious financial decision. Before entering into this Reaffirmation Agreement, you must review the important disclosures, instructions, and definitions found in Part V of this form.

A. Brief description of the original agreement being reaffirmed: Auto - Contract
For example, auto loan

B. **AMOUNT REAFFIRMED:** \$11,932.07

The Amount Reaffirmed is the entire amount that you are agreeing to pay. This may include unpaid principal, interest, and fees and costs (if any) arising on or before 12/16/2020, which is the date of the Disclosure Statement portion of this form (Part V).

See the definition of "Amount Reaffirmed" in Part V, Section C below.

C. The **ANNUAL PERCENTAGE RATE** applicable to the Amount Reaffirmed is 9.55%.

See definition of "Annual Percentage Rate" in Part V, Section C below.

This is a (check one) ☒ Fixed rate ☐ Variable rate

If the loan has a variable rate, the future interest rate may increase or decrease from the Annual Percentage Rate disclosed here.

Form 2400A, Reaffirmation Documents

D. Reaffirmation Agreement Repayment Terms:

- ☒ 46 regular Monthly payments of \$279.89 starting on January 11, 2021.
1 payment of \$1,262.36 due on November 11, 2024.
- ☒ Describe repayment terms, including whether future payment amount(s) may be different from the initial payment amount. *In addition to the regular payments above, the existing payment defaults shall be cured as follows:*
1 cure payment of \$139.95 due on January 11, 2021.
1 cure payment of \$139.94 due on February 11, 2021.

E. Describe the collateral, if any, securing the debt:

Description: 2016 CHEVROLET MALIBU LIMITED VIN: 1G11C5SA2GU105309
Current Market Value: \$12,575.00

F. Did the debt that is being reaffirmed arise from the purchase of the collateral described above?

- ☒ Yes. What was the purchase price for the collateral? \$15,761.72
☐ No. What was the amount of the original loan? \$

G. Specify the changes made by this Reaffirmation Agreement to the most recent credit terms on the reaffirmed debt and any related agreement:

	Terms as of the Date of Bankruptcy	Terms After Reaffirmation
Balance due (including fees and costs)	<u>\$11,925.89</u>	<u>\$11,932.07</u>
Annual Percentage Rate	<u>9.55%</u>	<u>9.55%</u>
Monthly Payment	<u>\$279.89</u>	<u>\$279.89 *</u>

** Under the parties' current agreement, any existing payment defaults are immediately due and payable. However, pursuant to this reaffirmation agreement, Creditor is allowing the Debtor(s) to cure said defaults over time (see Repayment Terms above).*

- H. ☐ Check this box if the creditor is agreeing to provide you with additional future credit in connection with this Reaffirmation Agreement. Describe the credit limit, the Annual Percentage Rate that applies to future credit and any other terms on future purchases and advances using such credit: _____

PART II. DEBTOR'S STATEMENT IN SUPPORT OF REAFFIRMATION AGREEMENT

- A. Were you represented by an attorney during the course of negotiating this agreement?
Check one. ☒ Yes ☐ No
- B. Is the creditor a credit union?
Check one. ☐ Yes ☒ No

Form 2400A, Reaffirmation Documents

C. If your answer to EITHER question A. or B. above is "No," complete 1. and 2. below.

1. Your present monthly income and expenses are:

- | | |
|--|--------------------|
| a. Monthly income from all sources after payroll deductions
(take-home pay plus any other income) | \$ <u>832.00</u> |
| b. Monthly expenses (including all reaffirmed debts except
this one) | \$ <u>1,038.11</u> |
| c. Amount available to pay this reaffirmed debt (subtract b. from a.) | \$ <u>(206.11)</u> |
| d. Amount of monthly payment required for this reaffirmed debt | \$ <u>279.89</u> |

If the monthly payment on this reaffirmed debt (line d.) is greater than the amount you have available to pay this reaffirmed debt (line c.), you must check the box at the top of page one that says "Presumption of Undue Hardship." Otherwise, you must check the box at the top of page one that says "No Presumption of Undue Hardship."

2. You believe that this reaffirmation agreement will not impose an undue hardship on you or your dependents because:

Check one of the two statements below, if applicable:

- ☐ You can afford to make the payments on the reaffirmed debt because your monthly income is greater than your monthly expenses even after you include in your expenses the monthly payments on all debts you are reaffirming, including this one.
- ☒ You can afford to make the payments on the reaffirmed debt even though your monthly income is less than your monthly expenses after you include in your expenses the monthly payments on all debts you are reaffirming, including this one, because: I will be cutting back on expenses.

Use an additional page if needed for a full explanation.

D. If your answers to BOTH questions A. and B. above were "Yes," check the following statement, if applicable:

- ☐ You believe this Reaffirmation Agreement is in your financial interest and you can afford to make the payments on the reaffirmed debt.

Also, check the box at the top of page one that says "No Presumption of Undue Hardship."

Form 2400A, Reaffirmation Documents

Page 4

PART III. CERTIFICATION BY DEBTOR(S) AND SIGNATURES OF PARTIES

I hereby certify that:

- (1) I agree to reaffirm the debt described above.
- (2) Before signing this reaffirmation agreement, I read the terms disclosed in this Reaffirmation Agreement (Part I) and the Disclosure Statement, Instructions and Definitions included in Part V below;
- (3) The Debtor's Statement in Support of Reaffirmation Agreement (Part II above) is true and complete;
- (4) I am entering into this agreement voluntarily and am fully informed of my rights and responsibilities; and
- (5) I have received a copy of this completed and signed Reaffirmation Documents form.

SIGNATURE(S) (If this is a joint Reaffirmation Agreement, both debtors must sign.):

Date 1/13/21 Signature Debra L. Laspata
Debtor

Date _____ Signature _____
Joint Debtor, if any

Reaffirmation Agreement Terms Accepted by Creditor:

Creditor Ally Capital PO Box 130424, Roseville, MN 55113-0004
Print Name Address

Jennifer Sparks [Signature] 01/20/2021
Print Name of Representative Signature Date

PART IV. CERTIFICATION BY DEBTOR'S ATTORNEY (IF ANY)

To be filed only if the attorney represented the debtor during the course of negotiating this agreement.

I hereby certify that: (1) this agreement represents a fully informed and voluntary agreement by the debtor; (2) this agreement does not impose an undue hardship on the debtor or any dependent of the debtor; and (3) I have fully advised the debtor of the legal effect and consequences of this agreement and any default under this agreement.

☒ A presumption of undue hardship has been established with respect to this agreement. In my opinion, however, the debtor is able to make the required payment.

Check box, if the presumption of undue hardship box is checked on page 1 and the creditor is not a Credit Union.

Date: 1/13/21 Signature of Debtor's Attorney [Signature]
Print Name of Debtor's Attorney Cory F. Woerner

PART V. DISCLOSURE STATEMENT AND INSTRUCTIONS TO DEBTOR(S)

Before agreeing to reaffirm a debt, review the terms disclosed in the Reaffirmation Agreement (Part I above) and these additional important disclosures and instructions.

Reaffirming a debt is a serious financial decision. The law requires you to take certain steps to make sure the decision is in your best interest. If these steps, which are detailed in the Instructions provided in Part V, Section B below, are not completed, the Reaffirmation Agreement is not effective, even though you have signed it.

A. DISCLOSURE STATEMENT

1. **What are your obligations if you reaffirm a debt?** A reaffirmed debt remains your personal legal obligation to pay. Your reaffirmed debt is not discharged in your bankruptcy case. That means that if you default on your reaffirmed debt after your bankruptcy case is over, your creditor may be able to take your property or your wages. Your obligations will be determined by the Reaffirmation Agreement, which may have changed the terms of the original agreement. If you are reaffirming an open end credit agreement, that agreement or applicable law may permit the creditor to change the terms of that agreement in the future under certain conditions.
2. **Are you required to enter into a reaffirmation agreement by any law?** No, you are not required to reaffirm a debt by any law. Only agree to reaffirm a debt if it is in your best interest. Be sure you can afford the payments that you agree to make.
3. **What if your creditor has a security interest or lien?** Your bankruptcy discharge does not eliminate any lien on your property. A "lien" is often referred to as a security interest, deed of trust, mortgage, or security deed. The property subject to a lien is often referred to as collateral. Even if you do not reaffirm and your personal liability on the debt is discharged, your creditor may still have a right under the lien to take the collateral if you do not pay or default on the debt. If the collateral is personal property that is exempt or that the trustee has abandoned, you may be able to redeem the item rather than reaffirm the debt. To redeem, you make a single payment to the creditor equal to the current value of the collateral, as the parties agree or the court determines.
4. **How soon do you need to enter into and file a reaffirmation agreement?** If you decide to enter into a reaffirmation agreement, you must do so before you receive your discharge. After you have entered into a reaffirmation agreement and all parts of this form that require a signature have been signed, either you or the creditor should file it as soon as possible. The signed agreement must be filed with the court no later than 60 days after the first date set for the meeting of creditors, so that the court will have time to schedule a hearing to approve the agreement if approval is required. However, the court may extend the time for filing, even after the 60-day period has ended.
5. **Can you cancel the agreement?** You may rescind (cancel) your Reaffirmation Agreement at any time before the bankruptcy court enters your discharge, or during the 60-day period that begins on the date your Reaffirmation Agreement is filed with the court, whichever occurs later. To rescind (cancel) your Reaffirmation Agreement, you must notify the creditor that your Reaffirmation Agreement is rescinded (or canceled). Remember that you can rescind the agreement, even if the court approves it, as long as you rescind within the time allowed.

6. When will this Reaffirmation Agreement be effective?

a. If you *were* represented by an attorney during the negotiation of your Reaffirmation Agreement and

- i. if the creditor is not a Credit Union**, your Reaffirmation Agreement becomes effective when it is filed with the court unless the reaffirmation is presumed to be an undue hardship. If the Reaffirmation Agreement is presumed to be an undue hardship, the court must review it and may set a hearing to determine whether you have rebutted the presumption of undue hardship.
- ii. if the creditor is a Credit Union**, your Reaffirmation Agreement becomes effective when it is filed with the court.

b. If you *were not* represented by an attorney during the negotiation of your Reaffirmation Agreement, the Reaffirmation Agreement will not be effective unless the court approves it. To have the court approve your agreement, you must file a motion. See Instruction 5, below. The court will notify you and the creditor of the hearing on your Reaffirmation Agreement. You must attend this hearing, at which time the judge will review your Reaffirmation Agreement. If the judge decides that the Reaffirmation Agreement is in your best interest, the agreement will be approved and will become effective. However, if your Reaffirmation Agreement is for a consumer debt secured by a mortgage, deed of trust, security deed, or other lien on your real property, like your home, you do not need to file a motion or get court approval of your Reaffirmation Agreement.

7. What if you have questions about what a creditor can do? If you have questions about reaffirming a debt or what the law requires, consult with the attorney who helped you negotiate this agreement. If you do not have an attorney helping you, you may ask the judge to explain the effect of this agreement to you at the hearing to approve the Reaffirmation Agreement. When this disclosure refers to what a creditor “may” do, it is not giving any creditor permission to do anything. The word “may” is used to tell you what might occur if the law permits the creditor to take the action.

B. INSTRUCTIONS

1. Review these Disclosures and carefully consider your decision to reaffirm. If you want to reaffirm, review and complete the information contained in the Reaffirmation Agreement (Part I above). If your case is a joint case, both spouses must sign the agreement if both are reaffirming the debt.
2. Complete the Debtor’s Statement in Support of Reaffirmation Agreement (Part II above). Be sure that you can afford to make the payments that you are agreeing to make and that you have received a copy of the Disclosure Statement and a completed and signed Reaffirmation Agreement.
3. If you were represented by an attorney during the negotiation of your Reaffirmation Agreement, your attorney must sign and date the Certification By Debtor’s Attorney section (Part IV above).
4. You or your creditor must file with the court the original of this Reaffirmation Documents packet and a completed Reaffirmation Agreement Cover Sheet (Official Bankruptcy Form 427).
5. *If you are not represented by an attorney, you must also complete and file with the court a separate document entitled “Motion for Court Approval of Reaffirmation Agreement” unless your reaffirmation agreement is for a consumer debt secured by a lien on your real property, such as your home. You can use Form 2400B to do this.*

C. DEFINITIONS

1. **“Amount Reaffirmed”** means the total amount of debt that you are agreeing to pay (reaffirm) by entering into this agreement. The amount of debt includes any unpaid fees and costs that you are agreeing to pay that arose on or before the date of disclosure, which is the date specified in the Reaffirmation Agreement (Part I, Section B above). Your credit agreement may obligate you to pay additional amounts that arise after the date of this disclosure. You should consult your credit agreement to determine whether you are obligated to pay additional amounts that may arise after the date of this disclosure.
2. **“Annual Percentage Rate”** means the interest rate on a loan expressed under the rules required by federal law. The annual percentage rate (as opposed to the “stated interest rate”) tells you the full cost of your credit including many of the creditor’s fees and charges. You will find the annual percentage rate for your original agreement on the disclosure statement that was given to you when the loan papers were signed or on the monthly statements sent to you for an open end credit account such as a credit card.
3. **“Credit Union”** means a financial institution as defined in 12 U.S.C. § 461(b)(1)(A)(iv). It is owned and controlled by and provides financial services to its members and typically uses words like “Credit Union” or initials like “C.U.” or “F.C.U.” in its name.

CERTIFICATE OF TITLE

PREFIX 2 IDENTIFICATION NUMBER 1G11C 5SA2G U1053 09 SUFFIX YEAR MAKE MODEL BODY TYPE
2016 CHE MAL 4 DR
TYPE OF TITLE STANDARD
FEE 85.00
ISSUE DATE 01-19-2018
DUPLICATE NO. 7
VIN-REPLACEMENT
COLOR/M/LP GY
DEALER I.D. 28936N
AXLES/PROP 2
FUEL
MILEAGE 46782
STATUS A

OWNER(S)
DEBRA L LASPATA
26 TURNER ST
CLAYTON NJ 08312 1647

NUMBER OF OWNERS: 1
NUMBER OF LIENHOLDERS: 1

OWNER DL/CC #:

I, CHIEF ADMINISTRATOR OF THE MOTOR VEHICLE COMMISSION, OF THE STATE OF NEW JERSEY, DO HEREBY CERTIFY THAT EVIDENCE OF PURCHASE OF OWNERSHIP IN COMPLIANCE WITH THE LAWS OF THE STATE OF NEW JERSEY, OF THE DESCRIBED ARTICLE, HAS BEEN RECORDED AND FILED WITH ME, AND I DO HEREBY ISSUE THIS CERTIFICATE OF OWNERSHIP SUBJECT TO SECURITY AGREEMENT OR LIEN, IF ANY AS STATED.

Signature
SIGNATURE

State of New Jersey
MOTOR VEHICLE COMMISSION

CONTROL NUMBER AZ577619



LIEN RELEASED BY:

SIGNATURE

DATE
TITLE
SECOND RELEASE

LIEN RELEASED BY:

SIGNATURE

DATE
TITLE
FIRST RELEASE

DATE 01-19-2018
03634 74602 10300
ALLY FINANCIAL INC
PO BOX 8140
COCKEYSVILLE MD 21030

ISM/SS-1 (R10/15)

RV201801900000415

KEEP IN SAFE PLACE

ALTERATION OR ERASURE VOIDS THIS TITLE

VOID IF ALTERED

HOLD TO LIGHT TO VIEW NEW JERSEY WATERMARK

- 1. FINANCE CHARGE AND PAYMENTS**
- a. How we will figure Finance Charge. We will figure the Finance Charge on the unpaid part of the Amount Financed. The Finance Charge will be based on the Annual Percentage Rate of the unpaid part of the Amount Financed.
- b. How we will apply payments. We may apply each payment to the earned and unpaid part of the Finance Charge, to the unpaid part of the Amount Financed, and to other amounts you owe under this contract in any order we choose.
- c. How late payments or early payments change what you must pay. We based the Finance Charge, Total of Payments, and Total Sale Price shown on the front on the assumption that you will make every payment on the day it is due. Your Finance Charge, Total of Payments, and Total Sale Price will be more if you pay late and less if you pay early. Changes may take the form of a larger or smaller final payment or, at our option, more or fewer payments of the same amount, as your scheduled payment with a smaller final payment. We will send you a notice telling you about these changes before the final scheduled payment is due.
- d. You may prepay. You may prepay all or part of the unpaid part of the Amount Financed at any time without penalty. If you do so, you must pay the earned and unpaid part of the Finance Charge and all other amounts due up to the date of your payment.
- 2. YOUR OTHER PROMISES TO US**
- a. If the vehicle is damaged, destroyed, or missing. You agree to pay us all you owe under this contract even if the vehicle is damaged, destroyed, or missing.
- b. Using the vehicle. You agree not to remove the vehicle from the U.S. or Canada, or to sell, rent, lease, or transfer any interest in the vehicle or this contract without our written permission. You agree not to expose the vehicle to misuse, abuse, confiscation, or involuntary transfer. If we pay any repair bills, storage bills, taxes, fines, or charges on the vehicle, you agree to repay the amount when we ask for it.
- c. Security interest.
- You give us a security interest in:
- The vehicle and all parts or goods put on it;
 - All money or goods received (proceeds) for the vehicle;
 - All insurance, maintenance, service, or other contracts we finance for you; and
 - All proceeds from insurance, maintenance, service, or other contracts we finance for you. This includes any refunds of premiums or charges from the contracts.
- This secures payment of all you owe on this contract. It also secures your other agreements in this contract. You will make sure the title shows our security interest (lien) in the vehicle. You will not allow any other security interest to be placed on the title without our written permission.
- d. Insurance you must have on the vehicle.
- You agree to have physical damage insurance covering loss of or damage to the vehicle for the term of this contract. The insurance must cover our interest in the vehicle. If you do not have this insurance, we may, if we choose, buy physical damage insurance. If we decide to buy physical damage insurance, we may either buy insurance that covers your interest and our interest in the vehicle, or buy insurance that covers only our interest to the extent permitted by applicable law. If we buy either type of insurance, we will tell you which type and the charge you must pay. The charge will be the premium of the insurance and a finance charge computed at the Annual Percentage Rate shown on the front of this contract or, at our option, the highest rate the law permits.
- If the vehicle is lost or damaged, you agree that we may use any insurance settlement to reduce what you owe or repair the vehicle.
- e. What happens to returned insurance, maintenance, service, or other contract charges. If we get a refund on insurance, maintenance, service, or other contract charges, you agree that we may subtract the refund from what you owe.
- 3. IF YOU PAY LATE OR BREAK YOUR OTHER PROMISES**
- a. You may owe late charges. You will pay a late charge on each late payment as shown on the front. Acceptance of a late payment or late charge does not excuse your late payment or mean that you may keep making late payments.
- b. If you pay late, we may also use the steps described below. You may have to pay one or more of these, if you break your promises (covenant). We may demand that you pay all you owe on this contract at once. Default means:
- You do not pay any payment on time;
 - You give false, incomplete, or misleading information on a credit application;
 - You start a proceeding in bankruptcy or one is started against you or your property; or
 - You break any agreements in this contract.
- The amount you will owe will be the unpaid part of the Amount Financed plus the earned and unpaid part of the Finance Charge, any late charges, and any amounts due because you defaulted.
- c. You may have to pay collection costs. If we hire an attorney who is not our salaried employee to collect what you owe, you will pay the attorney's reasonable fee and court costs the law permits. If the vehicle is primarily for personal, family, or household use and the cash price is \$10,000 or less, the maximum attorney's fee you will pay will be \$100 plus 10% of the excess over \$500 of the amount due when we hire the attorney.
- d. We may take the vehicle from you. If you default, we may take (repossess) the vehicle from you if we do so peacefully and the law allows it. If your vehicle has an electronic tracking device, you agree that we may use the device to find the vehicle. If we take the vehicle, any accessories, equipment, and replacement parts will stay with the vehicle. If any personal items are in the vehicle, we may store them for you at your expense. If you do not ask for these items back, we may dispose of them as the law allows.
- e. How you can get the vehicle back. If we take it, if we repossess the vehicle, you may pay to get it back (redeem). We will tell you how much to pay to redeem. Your right to redeem ends when we sell the vehicle.
- f. We will sell the vehicle if you do not get it back. If you do not redeem, we will sell the vehicle. We will send you a written notice of sale before selling the vehicle.
- We will apply the money from the sale, less allowed expenses, to the amount you owe. Allowed expenses are expenses we pay as a direct result of taking the vehicle, holding it, preparing it for sale, and selling it. Attorney fees and court costs the law permits are also allowed expenses. If any money is left (surplus), we will pay it to you unless the law requires us to pay it to someone else. If money from the sale is not enough to pay the amount you owe, you must pay the rest to us. If you do not pay this amount when we ask, we may charge you interest at a rate not exceeding the highest lawful rate until you pay.
- g. What we may do about optional insurance, maintenance, service, or other contracts. This contract may contain charges for optional insurance, maintenance, service, or other contracts. If we demand that you pay all you owe at once or we repossess the vehicle, we may claim benefits under these contracts and cancel them to obtain refunds of unearned charges to reduce what you owe or repair the vehicle as the law allows. If the vehicle is a total loss because it is confiscated, damaged, or stolen, we may claim benefits under these contracts and cancel them to obtain refunds of unearned charges to reduce what you owe.
- 4. WARRANTIES SELLER DISCLAIMS**
- Unless the Seller makes a written warranty, or enters into a service contract within 90 days from the date of this contract, the Seller makes no warranties, express or implied, on the vehicle, and there will be no implied warranties of merchantability or of fitness for a particular purpose.
- This provision does not affect any warranties covering the vehicle that the vehicle manufacturer may provide.
- 5. Used Car Buyers Guide.** The information you see on the window form for this vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale.
- Spanish Translation: Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.
- 6. Servicing and Collection Contacts.**
- You agree that we may try to contact you in writing, by e-mail, or using prerecorded/artificial voice messages, text messages, and automatic telephone dialing systems, as the law allows. You also agree that we may try to contact you in these and other ways at any address or telephone number you provide us, even if the telephone number is a cell phone number or the contact results in a charge to you.
- 7. Applicable Law**
- Federal law and the law of the state of our address shown on the front of this contract apply to this contract.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED PURSUANT HERETO OR WITH THE PROCEEDS THEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

The preceding NOTICE applies only to goods or services obtained primarily for personal, family, or household use. In all other cases, Buyer will not assert against any subsequent holder or assignee of this contract any claims or defenses the Buyer (debtor) may have against the Seller, or against the manufacturer of the vehicle or equipment obtained under this contract.